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Search results: **35** titles

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Search Report

Database Name	Database Number
BUSINESS & INDUS	9
BUSINESS WIRE	610
BUSINESS WIRE	810
MCGRAW-HILL PUBS	624
NEW PRODUCT ANNMNT	621
NEWSLETTER DB	636
PR NEWSWIRE	613
PR NEWSWIRE	813
SAN JOSE MERCURY	634
GLOBAL REPORTER	20
MAGAZINE DBASE	47
BUSINESS DATELINE	635
MKT&ADV REF SERV	570
FT INFORMATION LTD	476

Group II
All titles Considered QB

Set	Description
S1	(bill? AND tier AND (rate OR rating) AND (real(1N)time) AND account)
S2	PY=((1970:2000))
S3	S1 and S2
S4	S3 and ((electronic or cyber or online or on(w)line or internet or virtual or web)(n2)(shop? Or retail? Or mall? ? Or catalog?) or e(w)(shop or tail) or teleshop? Or videotext?(n2)shop? Or PC=7372640)
S5	RD
S6	SORT /ALL/pd,a

☐ 1 World IT sales grow 8.9% to $278.5B; North America hits $184.7B. (the top 100 revenue earners in the information technology industry) (includes related profiles of the Datamation 100 companies) (Cover Story) - June 15 - 1991 - Gale Group Magazine Database™

☐ 2 Making the transition from computer hobby to serious business.(Consumer Online Services)(part 1)(Cover Story) - July 17 - 1995 - Gale Group Magazine Database™

☐ 3 WEB REVIEW - **Web Review Debuts: Reach the Mainstream in the Clickstream; Audio-Visual Storylines Ar "Click-Provoking"** - September 15, 1995 - Business Wire

☐ 5 1,001 best Internet tips. (descriptions of Internet products, services) (Technology Information) (Technology Tutorial)(Tutorial) - March - 1997 - Gale Group Magazine Database™

☐ 6 PR Newswire High Technology Summary Monday, May 4, 1998 - May 4, 1998 - PR Newswire

☐ 7 Taking Stock Of the Web - Sept 21 - 1998 - Gale Group Marketing & Advertising Reference Service®

☐ 8 From Card Titan to E-Commerce Upstart - December 1998 - Business & Industry®

☐ 9 INTEGRATED LIBRARY SYSTEM SOFTWARE FOR SMALLER LIBRARIES.(Software Review)(Evaluation) - March - 1999 - Gale Group Magazine Database™

☐ 10 PRNewswire Midwest Summary Monday, November 29 to 4 P.M. EST. - Nov 29 - 1999 - Gale Group New Product Announcements/Plus®

☐ 11 -PSINET: PSInet provides Newcastle Rugby Club, E3Net & KooGa Sports with their first PSICommerce wel sites. - Dec 15 - 1999 - Gale Group Newsletter Database™

☐ 12 THE STATUS OF LIBRARY AUTOMATION AT 2000.(Statistical Data Included) - Jan - 2000 - Gale Group Magazine Database™

☐ 13 FULFILLMENT/OPERATIONS.(companies providing fulfillment and other computer-related services for catalog companies) - Jan - 2000 - Gale Group Marketing & Advertising Reference Service®

☐ 14 Online financing to boost procurement. - Feb - 2000 - Gale Group Newsletter Database™

☐ 15 Lighting the online procurement fuse. - Feb 17 - 2000 - Gale Group Newsletter Database™

☐ 16 Lighting the online procurement fuse - February 17, 2000 - Business & Industry®

☐ 17 Easy to credit. - Feb 29 - 2000 - Gale Group Newsletter Database™

☐ 18 Online financing to boost procurement - February 29, 2000 - Business & Industry®

☐ 19 Easy to credit - February 29, 2000 - World Reporter

☐ 20 The Empire Strikes Back. - May 10 - 2000 - Gale Group Marketing & Advertising Reference Service®

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Search Report

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BUSINESS & INDUS	9
BUSINESS WIRE	610
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PR NEWSWIRE	813
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GLOBAL REPORTER	20
MAGAZINE DBASE	47
BUSINESS DATELINE	635
MKT&ADV REF SERV	570
FT INFORMATION LTD	476

Set	Description
S1	(bill? AND tier AND (rate OR rating) AND (real(1N)time) AND account)
S2	PY=((1970:2000))
S3	S1 and S2
S4	S3 and ((electronic or cyber or online or on(w)line or internet or virtual or web)(n2)(shop? Or retail? Or mall? ? Or catalog?) or e(w)(shop or tail) or teleshop? Or videotext?(n2)shop? Or PC=7372640)
S5	RD
S6	SORT /ALL/pd,a

☐ 21 ISPCON Spring Exhibitor Profiles A to Z; Conference and Exposition to be held May 23 - 25 in Orlando, Fla - Monday - May 22, 2000 - Word Count: 9,547 - Business Wire

☐ 22 Banks struggle to deliver their internet promises; Part 1 of 2 - June 2000 - Business & Industry®

☐ 23 Calling On Expertise In Cyberspace - July 2000 - Business & Industry®

☐ 24 Accounting Technology Honors eLeaders. - July - 2000 - Gale Group Magazine Database™

☐ 25 Abbey National PLC - Interim Results - Part 1 - July 26, 2000 - World Reporter

☐ 26 Focus Report: Information Technology 2000: The Time Has Come: ERP Vendors Strive for Profits: Part 2 of 2 - July 31, 2000 - Business & Industry®

Gale Group Magazine Database™

- ☐ 28 **Retail Cards Branch Out** - September 2000 - Business & Industry®
- ☐ 29 **Retail Cards Branch Out.(Brief Article)** - Sept - 2000 - Gale Group Marketing & Advertising Reference Service®
- ☐ 30 **Globus Wireless, Ltd. Provides Shareholders With Business Update** - Thursday - September 21, 2000 - Word Count: 1,886 - Business Wire
- ☐ 31 **To rise above the spam, retailers are turning to a host of new email marketing technologies** - October 2000 - Business & Industry®
- ☐ 32 **Inside Graybar A Profile of the Nation's Top Electrical Distributor** - November 2000 - Business & Industry®
- ☐ 33 **Interlibrary Loan and Resource Sharing Products: An Overview of Current Features and Functionality.** - Nc - 2000 - Gale Group Magazine Database™
- ☐ 34 **PR Newswire High Technology Summary Wednesday, December 13, 2000.** - Dec 13 - 2000 - Gale Group New Product Announcements/Plus®
- ☐ 35 **PR Newswire National Summary, Tuesday, Sept. 21, 1999 To 10 A.M. ET** - Tuesday - September 21, 1999 - Word Count: 7,267 - PR Newswire

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Search results: **0** titles

Search Report

Database Name	Database Number
DISSERTATION ABS	35
GLOBALBASE	583
INSIDE CONFERENCES	65
INSPEC, 1898+	2
NYT ABSTRACTS	474
TECTRENDS	256
WSJ ABSTRACTS	475
APPLIED SCI & TECH	99

Abstracts

no hits CB

Set	Description
S1	(bill? AND tier AND (rate OR rating) AND (real(1N)time) AND account)
S2	CY,PY=((1970:2000))
S3	S1 and S2
S4	S3 and ((electronic or cyber or online or on()line or internet or virtual or web)(n2)(shop? Or retail? Or mall? ? Or catalog?) or e()(shop or tail) or teleshop? Or videotext?(n2)shop?)

Help Tips for 'Zero Records' - How To Get More Records

- Don't over-specify: use only the search options you really need -- leave the others blank.
- Exclude "implied concepts": leave out words like 'research' or 'effects.'
- Use more wildcards to search different word endings: use COMPUTER? in place of COMPUTER.
- Check the format of your entry. Follow the Search Tips examples shown on the search page.
- Check for misspelled words.
- Check that you are using parentheses correctly when you combine words with AND, OR, NOT.

For more tips on searching, see the Help page.

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Search Report

Group I
All titles Considered
CB

Database Name	Database Number
ABI/INFORM	15
PROMT (90-PRESENT)	16
PROMT (1972-1989)	160
COMPUTER DATABASE	275
TRADE&INDUSTRY	148

Set	Description
S1	(bill? AND tier AND (rate OR rating) AND (real(1N)time) AND account)
S2	PY=((1970:2000))
S3	S1 and S2
S4	S3 and ((electronic or cyber or online or on(w)line or internet or virtual or web)(n2)(shop? Or retail? Or mall? ? Or catalog?) or e(w)(shop or tail) or teleshop? Or videotext?(n2)shop? Or PC=7372640)
S5	RD
S6	SORT /ALL/pd,a

☐ 1 Top 10 bank software growth companies. (company profile) - Feb - 1989 - Gale Group Computer Database™

☐ 2 World IT sales grow 8.9% to $278.5B; North America hits $184.7B. (the top 100 revenue earners in the information technology industry) (includes related profiles of the Datamation 100 companies) (Cover Story) - June 15 - 1991 - Gale Group Trade and Industry Database™

☐ 3 Music & sound products (Buyers Guide) - Nov - 1991 - Gale Group Trade and Industry Database™

☐ 4 Information technology and the management difference: A fusion map - 1993 - Word Count: 14700 - ABI/INFORM®

☐ 5 Who's showing what where - May 15, 1993 - Word Count: 19597 - ABI/INFORM®

☐ 6 Consumer online services: Making the transition from computer hobby to serious business - Jul/Aug 1995 - Word Count: 4129 - ABI/INFORM®

☐ 7 Making the transition from computer hobby to serious business.(Consumer Online Services)(part 1)(Cover Story) - July 17 - 1995 - Gale Group Trade and Industry Database™

☐ 8 Plastics technology: manufacturing handbook & buyers' guide 1995/96.(Buyers Guide) - August - 1995 - Gale Group Trade and Industry Database™

☐ 9 Web Review Debuts: Reach the Mainstream in the Clickstream; Audio-Visual Storylines Are "Click-Provoking". - Sept 15 - 1995 - Word Count: 1414 - Gale Group PROMT®

☐ 10 1,001 best Internet tips. (descriptions of Internet products, services) (Technology Information) (Technology Tutorial)(Tutorial) - March - 1997 - Gale Group Computer Database™

☐ 11 Software (Mainframe/Minicomputer). - Annual - 1998 - Word Count: 6650 - Gale Group PROMT®

☐ 12 An expansive proposition - Jul 1998 - Word Count: 33912 - ABI/INFORM®

☐ 13 Wholesale giants '97. (interviews with 10 mortgage bank executives)(Internet Lending)(Interview) - August - 1998 - Gale Group Trade and Industry Database™

☐ 14 Taking Stock Of the Web - Sept 21 - 1998 - Word Count: 3733 - Gale Group PROMT®

☐ 15 The 1999 All-Europe RESEARCH TEAM. - Feb - 1999 - Word Count: [illegible] - Gale Group PROMT®

☐ 16 The 1999 Top 50 Distributors (Franchised).(electronics distributors)(Industry Trend or Event) - May 17 - 199 - Word Count: 29881 - Gale Group PROMT®

☐ 17 AMERICAN COMPANIES IN JAPAN. - June - 1999 - Word Count: 16446 - Gale Group PROMT®

☐ 18 TOP 50 EUROPE. - Sept - 1999 - Gale Group Trade and Industry Database™

☐ 19 PRNewswire Midwest Summary Monday, November 29 to 4 P.M. EST. - Nov 29 - 1999 - Word Count: 3335 - Gale Group PROMT®

☐ 20 E - Business Makeover.(Company Business and Marketing) - Dec 7 - 1999 - Gale Group Computer Database™

Search results: **51** titles

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Search Report

Database Name	**Database Number**
ABI/INFORM	15
PROMT (90-PRESENT)	16
PROMT (1972-1989)	160
COMPUTER DATABASE	275
TRADE&INDUSTRY	148

Set	**Description**
S1	(bill? AND tier AND (rate OR rating) AND (real(1N)time) AND account)
S2	PY=((1970:2000))
S3	S1 and S2
S4	S3 and ((electronic or cyber or online or on(w)line or internet or virtual or web)(n2)(shop? Or retail? Or mall? ? Or catalog?) or e(w)(shop or tail) or teleshop? Or videotext?(n2)shop? Or PC=7372640)
S5	RD
S6	SORT /ALL/pd,a

☑ 21 -PSINET: PSInet provides Newcastle Rugby Club, E3Net & KooGa Sports with their first PSICommerce wel sites. - Dec 15 - 1999 - Gale Group Trade and Industry Database™

☑ 22 GENERAL APPLICATIONS/SYSTEM SOFTWARE.(Buyers Guide) - Jan - 2000 - Word Count: 14041 - Gale Group PROMT®

☑ 23 FULFILLMENT/OPERATIONS.(companies providing fulfillment and other computer-related services for catalog companies) - Jan - 2000 - Word Count: 16342 - Gale Group PROMT®

☑ 24 Critical review - outsourcing: A paradigm shift - 2000 - Word Count: 20921 - ABI/INFORM®

☑ 25 Avoiding the pitfalls of emerging technologies - Winter 2000 - Word Count: 10997 - ABI/INFORM®

☑ 26 FULFILLMENT/OPERATIONS. - Jan - 2000 - Gale Group Trade and Industry Database™

☑ 27 Europe's battle of the bulge - Feb 2000 - Word Count: 4941 - ABI/INFORM®

☑ 28 Computer Software Manufacturers. - Feb 15 - 2000 - Word Count: 8950 - Gale Group PROMT®

☑ 29 Lighting the online procurement fuse. - Feb 17 - 2000 - Word Count: 1464 - Gale Group PROMT®

☑ 30 Easy to credit. - Feb 29 - 2000 - Word Count: 1471 - Gale Group PROMT®

☑ 31 Ready For Market!(Industry Trend or Event) - April - 2000 - Word Count: 14848 - Gale Group PROMT®

☑ 32 Developers and retailers are striving for survival & convergence - May 2000 - Word Count: 3722 - ABI/INFORM®

☑ 33 The Empire Strikes Back. - May 10 - 2000 - Word Count: 4451 - Gale Group PROMT®

☑ 34 The empire strikes back - May 10, 2000 - Word Count: 4362 - ABI/INFORM®

☑ 35 The 2000 Top 50 Distributors (Franchised).(Industry Trend or Event) - May 15 - 2000 - Word Count: 32356 - Gale Group PROMT®

☑ 36 Accounting Technology Honors eLeaders. - July - 2000 - Word Count: 5003 - Gale Group PROMT®

☑ 38 CP shows the way for direct issuance - Jul 2000 - Word Count: 4344 - ABI/INFORM®

☑ 39 Banks struggle to deliver their Internet promises - Jul 2000 - Word Count: 4879 - ABI/INFORM®

☑ 40 Have Software, Will Travel.(multi-currrency accounting packages)(Industry Trend or Event) - August - 2000 Word Count: 2845 - Gale Group PROMT®

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Search results: **51** titles

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Search Report

Database Name	Database Number
ABI/INFORM	15
PROMT (90-PRESENT)	16
PROMT (1972-1989)	160
COMPUTER DATABASE	275
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S2	PY=((1970:2000))
S3	S1 and S2
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S5	RD
S6	SORT /ALL/pd,a

☑ 41 **Retail Cards Branch Out.(Brief Article)** - Sept - 2000 - Word Count: 2527 - Gale Group PROMT®

☑ 42 **Retail cards branch out** - Sep 2000 - Word Count: 2376 - ABI/INFORM®

☑ 43 **e-marketplace arms merchants: Enabling the B2B enablers** - Sep 2000 - Word Count: 4345 - ABI/INFORM®

☑ 44 **e-Marketplace Arms Merchants: Enabling the B2B Enablers.(Electronic Web - based business to business services.)(Brief Article)** - Sept - 2000 - Gale Group Trade and Industry Database™

☑ 45 **Globus Wireless, Ltd. Provides Shareholders With Business Update.** - Sept 21 - 2000 - Word Count: 1860 - Gal Group PROMT®

☑ 46 **TOP 100 WEB AGENCIES 2000.(Industry Trend or Event)** - Sept 28 - 2000 - Word Count: 32078 - Gale Grou PROMT®

☑ 47 **Online insurance opportunities for bankers.** - Nov - 2000 - Word Count: 3648 - Gale Group PROMT®

☑ 48 **Survival of the slickest** - Dec 2000 - Word Count: 3991 - ABI/INFORM®

☑ 49 **Company Directory.(Directory)** - Dec - 2000 - Gale Group Trade and Industry Database™

☑ 50 **Letters.(Letter to the Editor)** - Dec 7 - 2000 - Gale Group Computer Database™

☑ 51 **PR Newswire High Technology Summary Wednesday, December 13, 2000.** - Dec 13 - 2000 - Word Count: 691 - Gale Group PROMT®

Display more titles: 1-20 21-40 **41-51**

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ıking Stock Of the Web

arner, Bernhard

)WEEK Western Advertising News , Volume: 48 , Number: 38 , Page: IQ/14 , Sept 21 1998

:ady for a Web marketing war?

hen the stock market docs its best pinball machine impression - as it has this past month - Wall Street is no place for the fa: heart.

ıree thousand miles away in Silicon Valley, Jerry Gramaglia of ETrade barely breaks a sweat when the market dips and :sts, even when the Dow loses 1,000 points in a week.

:ter all, Gramaglia is used to turmoil, having survived marketing battles involving tacos, packaged goods and phone service ring tours of duty at Taco Bell, Procter & Gamble and most recently, Spring.

love volatile markets," claims Gramaglia, who has been senior vice president of marketing, sales and communications at tl lo Alto, Calif.-online brokerage since June. In fact, news of the devaluation of the Russian ruble and Asian economic rmoil are the perfect hook for ETrade's new ad campaign, a year-long $150 million blitz to promote Destination ETrade, a e-stop shop for online investors that officially launched this month. "We believe we can bring the message of the immedia trading home when you want to trade online vs. standing in line," he says, summarizing a major theme of the ad campaign d the indisputable beauty of Web brokers: when everyone and their brother-in-law is trying to get their broker on the phon dump their faltering Egghead.com shares, an online broker is just a mouse-click away, giving the investor more financial :edom.

just under three years, online trading has become the paragon of the so-called electronic commerce revolution. Sure, nazon.com is redefining book selling, but the Seattle-based company won't break even until after the millennium, analysts :dict. In contrast, Web brokers such as ETrade and Ameritrade have been racking up quarterly profits at a consistent pace f : past two years.

all Street analysts (the same ones that are critical of the financial record of other e-commerce players such as Egghead and nazon) speak in glowing terms about the potential of the online investing market. "Online trading is the clear standout :ccess in online commerce right now," says Bill Burnham, an analyst for Credit Suisse First Boston in San Francisco. "It's n ly the quantity of the commerce and the quality, but it's the impact online trading is having on the existing business ... It's a lical improvement over any other form of trading. And because of that it's going to mean more people will use the Internet channel of first choice."

ıe category's major players have the numbers to back up these claims.

vo hundred twenty-eight thousand times a day, by the click of a mouse, a person updates their investment portfolio, buying d selling shares in stocks, bonds or mutual funds on the Internet, according to a recent report by Piper Jaffray, a inneapolis-based financial consultancy. The same reports reveal that 22 percent of all trades made by an individual (as posed to an institution) were conducted online in the first half of 1998. Currently the sum worth of individual portfolios ıintained online exceeds $200 billion, nearly twice the size of Hong Kong's gross domestic product.

ıt the most revealing statistic regarding the growth of the online brokerage industry is this: in September 1995, there were r eb-based brokers. Zero. Today, there are 82, according to Concord, Mass.-based brokerage tracking firm Gomez Advisor. :ernet participants include the traditional neighborhood discount broker such as Charles Schwab & Co. and Fidelity vestments, which both report that their customers conduct more than half their business online, and Web-grown firms like 'rade, Datek Online and Ameritrade. While online trading today represents between 5 percent and 10 percent of all market tivity, according to Burnham, the Internet, with commissions as low as $5 per trade, is exacting a seismic toll on the lustry.

uctantly considering shifting some of their business to the Internet. Likewise, some Web-based firms are mulling the ofitable business of selling financial advice. Then there's much discussion that the online brokerages could team together tc ild electronic communications networks, or ECNs, which are separate electronic exchanges that could process trades 24 urs a day without assistance from major exchanges such as Nasdaq or the New York Stock Exchange.

ie changes afoot send an indisputable message: the Internet is fast becoming the preferred channel among investors.

lline brokers are a rare breed: they have multiple revenue streams to tap including $200-400 million in advertising placed c eir sites by other advertisers, according to Jupiter Communications, New York; the management of millions of dollars in stomers' assets; and, of course, transaction fees that average more than $15 per trade across the industry, according to Piper ffray.

odest projections state the size of the market could triple within the next 30 months. Others believe it could explode ernight. While estimates vary, there are roughly 5 million active online accounts in existence and another 20 million rtfolios being tracked on the Internet, according to investment bank ABN Amro, New York. Marketers have begun honing on the roughly 15 million accounts that could be had if the offer is enticing enough to turn window shoppers into buyers.

hey know the Internet," says Gramaglia, referring to the "sweet spot" target of unclaimed potential accounts. "They know vesting. We've got to get them to know ETrade." Gramaglia has budgeted for what may be the biggest online ad buy ever, iounting to between 8 billion and 10 billion impressions in the next year. The goal: Sign up 1 million new customers in the xt one to two years. The challenge: Keep acquisition costs below an industry-wide plateau that has never dipped below 50. The math is simple. To reach that goal, the marketing heft across all media could exceed $150 million.

id ETrade is not alone. Industry observers are predicting the mother of all marketing battles between the online brokers is a rtainty with the top firms, from Fidelity Investments to Schwab to Ameritrade, pouring in a combined $500 million in vertising, online and off, to promote their Web brokerages. That dollar figure represents a 75 percent jump over last year-a ounding increase considering that new accounts are only supposed to grow at a pace of 45 percent in the upcoming 12 onths, according to Piper Jaffray.

id the skirmish has already seen its share of victors. Thanks to the record traffic pouring into financial news sites daily to eck on the market, Quote.com (a 4-year-old finance site that also syndicates quote charts) and its more mainstream mpetitor, CBS Market-Watch, are seeing new advertisers signing deals at a brisk pace. Aaron Barnes, vice president of tional ad sales for Mountain View, Calif.-based Quote.com, reports that, coinciding with the latest round of market madnes w advertisers have signed on for the fourth quarter including DeBeers Jewelers, Merck's hair-growth drug, Propecia, and ll Helicopter, a Fort Worth, Tex.-based aircraft manufacturer.

nerica Online has done well too, striking identical deals with four brokers: Ameritrade, ETrade, DLJ Direct and Water-hou curities. Each has paid AOL $25 million over two years for prime real estate on its personal finance channel, hoping to nvert the 12 million-plus AOL member base into customers.

ke all Web distribution pacts, the business schematic for the AOL deal is actually borrowed from the retail industry. "It's li tting the corner anchor spot in a mall," explains Burnham. "You're going to want to put your shingle up" in the most fficked areas to induce window shopping first, and sales down the road. On the Net, it's about being a mouse click away om a prospective trader, he says.

hwab's Pamela Saunders disagrees, calling such distribution deals the equivalent of buying space in a "broker ghetto."

/hat it does is it commoditizes brokerages into a transaction house," says Saunders, vice president of business developmen : Schwab's electronic brokerage division. "If there's a list of brokers already there, you have to ask yourself: "Do I really int to be there? Who's in that space? The newer brokers who want to build a brand?'... I would say Schwab doesn't want to the category of online broker."

; true that Schwab customers conducted more than 52 percent of its trades online last quarter. But the discount brokerage's ots are its neighborhood branch offices where over the past three decades it has established a reputation as the antithesis to smarmy broker making a killing off your investments. And, in this era of Web-based discount brokers undercutting each ier on price, Schwab is taking the high road. The San Francisco firm has been positioning itself in its ads as the place to go : "full service electronic investing" and it will continue to de-emphasize price, holding steady with one of the highest

; Saunders explains: "We're looking for the customer who wants some face-to-face contact. If we were going after the pers‹
ıt's just online, we'd drop the price to $9.95."

hat Schwab wants in the investor of the future, explains Saunders, is a lifer: someone looking to build a retirement nest egg
meone willing to open a large portfolio and make trades on a monthly, not daily basis.

› this end, Schwab has struck deals over the past year with Excite and iVillage as an exclusive sponsor for their personal
ıance sections. Schwab doesn't provide these outposts with a convenient doorway. Rather, it serves as a source of personal
ıance information and advice. In the future Schwab will consider striking Internet sponsorship deals where more establishe
;count brokers such as Fidelity reside. However, it will steer clear of rubbing elbows with the Mr. Stock.com's, Saunders
ys.

'rade, ranked No. 2 behind Schwab in terms of customers and revenue, isn't as discerning. It's positioning Destination
'rade as the financial destination for every-investor. But, with a goal of amassing 1 million new subscribers, ETrade is
lling to open its doors to the active trader as well as the retirement-planner. "You've got to have a core base of power trade
›elieve," Gramaglia says.

:tive traders come with baggage though. They demand high-speed trades, they're more price-sensitive and they have no
egiance to a single broker. And, more ominously, they're the first to go in a bear market.

Iost brokers expect to lose as much as half their market in a bear market," says Chris Cooper, chief executive officer at
ıote.com. Ever mindful of market cycles, Web brokers are targeting less fickle investors in their marketing, Cooper adds.

ıose who can't afford to make noise with advertising will continue to compete against the Schwabs and ETrades with low
ice. But experts predict the days of attracting investors with the lure of cheap trades is quickly coming to an end--as will th
ep discount online broker. Schwab's Saunders puts it bluntly: "If you rely on revenue just from trading then, when the
ırket slows down, you will be impacted."

›day the biggest segment of the market remains the active trader set, says Steven Hall, an analyst for Gomez Advisor. But t
mber of active traders is dwindling, soon to be replaced by the latest wave of investors: "life-goal planner." Though a smal
rtion of the market today, the life-goal planner or casual investor is typically nearer to retirement age and has a minimum
›ck portfolio that amounts to at least $50,000, Hall says. The casual investor wants a one-stop destination to satisfy all theiı
rsonal finance needs from trading equities or mutual funds to opening a checking account. Because "accumulating assets is
gger winner for brokerages than [collecting] transaction fees in the long run" says Hall, the top-tier firms will focus their
:ruitment efforts on this group.

ıt it won't be easy. The retirement-minded investor needs guidance. Schwab, Fidelity and ETrade have already begun
'geting this group, trying to outdo each other by offering institutional research from the top full-service firms such as
lomon Smith Barney, in the case of Fidelity and BankBoston Robertson Stephens for ETrade customers. The top firms als‹
fer customers checking accounts, debit cards and access to initial public offerings.

okers with the deepest pockets are offering the latest enhancements, such as real-time quotes and quicker download times
: transactions, but the clearest differentiation-for now-remains price. Still, don't count on a price war to break out.

think price was great to establish the category," says ETrade's Gramaglia. "But it's not a motivator once you go below the
0 threshold."

›th Saunders and Gramaglia agree the advertising blitzkrieg that's about to ensue will build several strong brands-and result
a lot of casualties. Says Gramaglia: "It doesn't quite have the sex appeal of the telecom wars, cola wars or burger wars, but
; going to be intense."

›w come you didn't buy a price comparison service like [Amazon CEO] Jeff Bezos did in buying Junglee?

hink there are going to be many different ways to shop. I think it is naive to think that every consumer is a price shopper. I
ll tell you, I think most of the disposable income in America goes against convenience shopping. Your store stays open lat‹
: closer to my house. Easier to find what I want. Easier to buy it. I'll buy it and pay you a premium to buy it. But [Bezos] is

navigation a driver or just a support mechanism?

gets down to theories about what you think this business is about. What's a driver. I think we're in the microwave oven and CR business. We don't do anything new. We do something you already have demonstrated a need and a desire to do and we ke it easier. Microwave oven takes the conventional oven which cooks better but makes it quicker. Therefore, people like e VCR takes a brilliant, beautiful motion picture and squishes it down to a little fuzzy screen and people like it because it's re convenient to watch it at home.

you look at AOL, what we're really in the business of doing is saying, "What do you do in your life that's important? And n I make it easier?" ... What do most people do in their life? What's the number one activity?

atching TV?

). Socializing with another human being. Is it any wonder that chat and email are the most popular services on AOL? If I c ke [shopping] easier would that jibe] a winner? Absolutely. And, I think as you look at telephone, we have this wonderful ng called AOL phone. It works wonderfully, [but] we've been unable yet to figure out how to make it any easier than king up the phone and going, "Hello."

hat is the future of convenience?

e consumer's always going to want to improve their life through more convenience......... It really took off in the '70s. In th s your leisure time leveled off, went down. Now if you wanted to get that same sort of visceral improvement of your life ery year and do more things, you had to squeeze more into the same amount of time.

AOL is an enabling brand.

e're about making your life better. So I've got to predict where you want to go and who you want to go with.

K, how did you manage to reconcile that message with the traffic tie-ups and busy signals that beset AOL when it moved to t -rate pricing?

was horrible. I mean, there's no upside. There's no good story to that and no positive spin. It was a horrible mistake and it s a horrible experience for our customers and thank God we had a strong brand because otherwise, if people were mad ough they would have left if we thought we were like a bunch of other products.

hat did you learn?

hat we learned was you have to think very hard about unforeseen consequences. You're looking at pricing. Pricing has a bi plication to connectivity And you have to also understand that because we are the market leader, we have no historical bas project. Now if I had years of history and seasonality and swings, you get pretty good at that stuff. But we didn't have that. we've got to take our estimates with a grain of salt and we've got to have a plan B.

ere was no plan B?

ell, the plan B was, "It couldn't be any worse than this." It turned out to be worse than this. The plan B was, "It'll be this d." Well it turned out to be worse than plan B, so, you've got to have a realistic plan B. If you turn on [a new feature] in litt ces, you can gauge what it means.... Now you've also asked a question, what did you learn out of it? Or what are the lesso take away? And I don't want to forget that. We took away an interesting one. And I actually met with the Coca-Cola folks ortly after this and they were sort of laughing at me saying, "You're about the only company that's ever had a reaction to a oduct change that we had."

e consumer didn't switch to a comparable product but rather they got mad at us and told us to fix it. And we had mpetitors] buying ads in the Super Bowl saying, "Come to us, we don't have busy signals."

d you like those ads?

ıg. I was miserable. Kids like it. I was miserable." And I could say, "Dorney Park out in Allentown [Pennsylvania] doesn't ve long lines. You should go there."

ıd they look at you like you're crazy They go, "Well that's not Disney World." And I think what we saw in AOL was what u usually see in a product that has 48 percent [brand recall as an] Internet/online service vs. everybody else at 5 or 6--whic people go, "Wait a minute, I have a busy signal so that's not AOL. I want AOL to fix this damn problem."

how can AOL be put at risk?

hink it's whenever someone can build a brand of the level of AOL's that puts us at risk ... There can be people that have mething better than your brand. But that's almost unimportant. Likewise, when you get to products like AOL, and I try and ild [this belief] in here because I'm dumb about technology so my only value-added here is helping people get a little rspective on the genius that they do have here. And one of the things I try and push here is if somebody comes in and says, ve got something that is gonna change the world," I go, "Probably not." ... the reality is what we're dealing with is the nsumer that we do understand and that is pretty predictable."

should AOL become more of a media company? You describe it very explicitly as a brand of convenience.

ıat's interesting. Let's go for a minute, "What is the business?" The business is broader than all those and every time we try d do a metaphor of, "It's a media business," whatever, we get stuck because it's not really. I use an example often which is tually a better example: We're a supermarket and the Internet is one of our warehouses. Proprietary content's another ırehouse. We're in the business of--sounds dull--but we're in the business of putting the salt next to the sugar next to the flo d putting a thing up on the aisle that says, "Baking Goods." And the consumer doesn't give a damn what warehouse it cam t of.

ɔu make your money out of slotting fees--you're a retail theme park.

ːah. Now we're really searching for metaphors.... But you're right. I mean maybe our advertising is slotting fees. There are ıny ways to come at this business. And I think all of them have some relevance and some of 'em, all of 'em fall apart at a rtain point.

3C buying Snap and Disney buying Infoseek-are those portals a distraction for AOL?

ıeir buying those businesses is consistent. It doesn't change our vision of the world. Our vision of the world is, there is a ıss market. AOL, we think, has become the mass market brand. There are other targeted markets and there's plenty of mon be made [in them].

vo years hence, is Disney more of a complement or a competitor?

hink they're doing something else. ... You can get to their service through AOL, so in a certain sense, it's a benefit. They ar ɔbably trying to convince people to give advertising dollars to them instead of AOL. And you don't like that.

ːt's talk about faster speed. [@Home CEO] Tom Jermoluk, for obvious reasons, is a believer in how speed can transform th line experience. Yet, you've been quoted as saying that speed is not what your customers want. Is that accurate?

ːt me give you the bigger picture. ... There are many pieces to AOL. To this puzzle of price [add] connectivity. There's, wh line? What content can I get? What am I comfortable with?

ıd you get to other pieces of the puzzle about what this is. What's the brand? And what's the speed?

/hen competitors] dropped their price to $14.95 'cause they thought the whole thing was price, guess what? We didn't lose ːmbers.... When we had a connectivity problem they said the whole thing is being connected. Forget speed. How about just tting connected. We didn't have mass defection then. So now the issue is how important is speed as a variable? The faster ːed is all an upgrade market.

ɔu guys should be pushing for the deregulation of cable boxes.

'e years we'll pay $10 billion to some third party for connectivity. If you are either cable, wireless or DSL we will give you e money to make your investment up. We're putting our money where our mouth is.

›nsumer online services: Making the transition from computer hobby to serious business

·vison, Andrew
ıline , v19n4 , Page: 14-21 , Jul/Aug 1995 (includes References)

the moment of their greatest commercial success, the consumer online services found themselves facing the most serious ·eats they had ever encountered. New online services planned by Microsoft and AT&T had the potential to lock in captive diences that numbered in the tens of millions. Telephone and cable companies were testing TV-based online services that ›uld be bundled with Americans' monthly cable or phone bills. The development of more user-friendly tools for navigating : Internet made the consumer services base of 5 million subscribers appear remarkably small compared to 20 million-30 .llion estimated Internet devotees. Then the consumer services began to respond. By 1995, CompuServe, Prodigy and nerica Online had honed and refined their services to a point of near convergence. Ironically, that milestone came just in ıe for them to face new competition that threatened to make their common strategy obsolete.

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hen Charles Darwin was developing his theory of natural selection, he took a crucial step when he noticed that certain ecies, each originally quite distinct, tended to evolve similar adaptations when placed in a common environment. The ıdual evolution of marine mammals like dolphins, whales and seals to more "fish-like" shapes is the most familiar example this process of "convergent evolution."

Darwin had been able to observe the growth of the consumer online services in the last decade, he would have found it riguingly familiar. The most striking fact about the three largest services--CompuServe, Prodigy and America Online--is w much they have come to resemble each other in recent years. Although each began with a highly distinct strategy and get audience, the common market environment in which they operated inexorably led them toward increasing convergence d direct competition in areas as diverse as their content, pricing and interface design.

ıe year 1994 should have been one of uninterrupted celebration for all three consumer services. Their combined membershi arly doubled, and by year-end totaled over five million. Magazines, newspapers and TV devoted more coverage to their ractions and activities during 1994 than during their entire previous existence.

IREATENED BY SUCCESS

›nically, at the moment of their greatest commercial success, the consumer online services also found themselves facing the ›st serious threats they had ever encountered. New online services planned by Microsoft and AT&T had the potential to loc captive audiences that numbered in the tens of millions. Telephone and cable companies were testing TV-based online :vices that would be bundled with American's monthly cable or phone bills. And the development of more user-friendly too : navigating the Internet made the consumer services base of five million subscribers appear remarkably small compared tc -30 million estimated Internet devotees.

›w the consumer services are beginning to respond. They are moving in new and divergent directions as they seek to find w strategies and business models to meet these challenges.

ıce again, the insights of Charles Darwin seem more relevant than those of Peter Drucker and other management gurus. Th ›cess Darwin defined as the reverse of convergent evolution was "adaptive radiation"--the tendency of a species to evolve ferent variations as it increases its range and is forced to adapt to diverse environmental conditions. The consumer online :vices have been thrust into a larger, more complex and more competitive environment than they have ever encountered in : past. To survive, they each have to evolve in new, dramatic and quite unique ways.

IE WAY THEY WERE

1980, H&R Block, the tax preparation company, wanted to diversify. It was attracted to a computer time-sharing company it was building a presence in vertical markets, such as credit card verification and airline reservation scheduling. Block saw e firm called CompuServe Inc. as a way to enter a new, high-growth industry and as a potential source of technological novations for its traditional tax business.

ie hoped-for synergy between time-sharing and taxes never quite came off during the 1980s, but it was a shrewd gamble netheless. By the end of the decade, CompuServe's networking division was handling all of VISA international's credit car rification traffic, providing scheduling for a number of major airlines, and offering a variety of other networking services f ge and medium-sized corporations.

&R Block paid far less attention to a small pilot project CompuServe was also launching at the time of the acquisition. The ar before, some 1,600 computer users had begun to log onto a modest computer bulletin board--one not strikingly different om the local BBSs being launched at the same time by hobbyists around the country. CompuServe's time-sharing network l, however, make it possible to offer the BBS on a national, rather than local basis, at a reasonable price.

1994, the CompuServe Information Services division, which ran the online service, was producing $429 million of H&R ock's $1.2 billion in revenues, and Block president Tom Bloch was predicting it would soon bring in more money than the c business itself. For the first time, the company's annual meeting was held in Columbus, Ohio, CompuServe's headquarter ther than in H&R Block's Kansas City, Missouri corporate offices.

ick in the 1980s, CompuServe faced competition first from The Source, a similar online service that CompuServe finally quired in 1989, and then from rivals GEnie and Delphi. The challengers, however, all reached a plateau in membership atively early in their development, while CompuServe's subscriber base continued to expand.

mpuServe's success was rooted in a fundamental characteristic of the early consumer online services. What those services ere selling a subscriber, above all else, was not data, but membership--the right to join their community. While the online rvices' costs were measured in CPU time and data transmission fees, they were ultimately clubs, and their hourly rates were rm of membership fee.

mpuServe succeeded because its series of special interest communities, particularly those dedicated to computer hardware ftware and technology were the most robust and useful, and therefore the most attractive to new members. As personal mputers penetrated homes and businesses in the 1980s, CompuServe rode the industry's growth curve, reaching a embership of over 500,000 by 1990.

odigy--The Electronic Magazine

espite a name that implied early brilliance, Prodigy didn't exactly hit the ground running. When it was launched as a joint nture of IBM, Sears and CBS in 1985, skeptics immediately pointed out that the videotext model on which it was based ha eady led to some spectacularly expensive failures for publishing companies like Knight-Ridder and Tribune Co. Things di t improve when CBS, the partner most familiar with the home entertainment market, suddenly dropped out. This left IBM d Sears as the principals in the new online venture. But IBM was licking its wounds from a disastrous foray into the home mputer market with the PC Jr., and Sears was still struggling to clearly define its Business Centers. IBM and Sears, howev ere prepared for slow acceptance and a long wait before the service turned a profit. They were working with a business odel that required patience and deep pockets to succeed.

1989 article in Forbes magazine explained the strategy: "Think of Prodigy as an electronic magazine where the services ar e articles... Like a magazine, the aim is to offset the loss [from subscriptions], and then some, with advertising revenues" [1 iis "magazine model" was radically different from CompuServe's BBS-based model and influenced every aspect of Prodig sign.

r one thing, Prodigy offered a flat monthly fee, not unlike a magazine subscription, that gave unlimited access to its online ntents. While CompuServe's "pay-by-the-minute" pricing made the use of the system itself the profit-making part of the siness, Prodigy's monthly fee was deliberately set very low to entice the largest possible audience. It did not provide the venues to cover the service's costs.

provide a robust platform for the advertising that would make up the missing revenues. Prodigy introduced a graphical us

ındard called NAPLPS, Prodigy's implementation was proprietary. To many observers, the strategy echoed IBM's attempt ı ɜate a closed system with its PS/2 line of PCs.

ɔdigy also invested considerable resources in creating its own content, as a magazine would, rather than acting as an ermediary for content created by others. Its news, weather and sports were not simple downloads of existing news services t were rewritten and repackaged by Prodigy staff. Prodigy had special hopes for online shopping, where subscribers would ɜ prominent on-screen ads, request additional screens of information and then order directly online.

ıally, the magazine analogy led Prodigy's original strategy to be largely "information-oriented," treating forums, e-mail anı ıer communications as distinctly secondary. If Prodigy was to be a magazine, articles and advertisements were central, and ɜ communications aspects of the service would be little more than an online version of letters to the editor.

hen Prodigy made the service available nationally in 1989, it already had over four years of extensive (and costly) regional ;ting under its belt and over 200,000 households participating.

ıe initial reviews tended to laud Prodigy's flat monthly pricing and graphical interface as exciting innovations. But at the ne time they criticized the primitive CGA video and its consequences--cartoon-like graphics, small amounts of text ;played on each screen and advertisements that occupied up to one-third of a page. Other complaints included the absence mmunications facilities and the often annoyingly unsophisticated and artificially "wholesome" quality of the family-orient ntent.

me of these criticisms did not take into account the fact that Prodigy was targeting a different audience than previous onlin rvices, and others highlighted problems that would soon be resolved by new generations of computer hardware. But, in the rls 1990s, there remained a hard core of doubt that Prodigy had found a formula that could reach beyond the computer-ɜrate market and appeal to the "mainstream." One fact that did not inspire confidence was that the service was still unable t n a profit.

nerica Online--Third Time Lucky

ith the benefit of hindsight it is easy to see the right strategy for a new online service in the early 1990s. A huge group of ac and Windows GUI users were emerging. They were ripe for a consumer-oriented online service, but they had never useı ƆS and would not use any interface that did not act like a natural extension of their familiar operating environment. All a ɔvider had to do was launch a Mac-based service in about 1989, hone the user interface, and then put out a Windows versiı early 1993 to catch the tidal wave of Windows growth and market penetration.

ıe company that followed this strategy and rode it to success was America Online. The firm began life in 1985 as a ɜcialized service for Commodore computer owners. The exclusive deal they worked out gave the firm, then called Quantur ımputer Services, access to thousands of Commodore customers and the opportunity to develop an interface for a aphically-oriented machine. In 1989, the company changed its name to America Online and added similar services for acintosh, Apple II and Tandy owners. The Windows version appeared in January 1993.

nerica Online (or AOL, as it is often called) followed a strategy that incorporated successful elements of both CompuServe d Prodigy. Like Prodigy, it was inherently graphical and designed for ease of use. It made special efforts to position itself a 'general interest" service and not one limited to computer-related fields.

ke CompuServe, however, AOL saw forums and communications as a central aspect of a successful online service, rather ın a diversion, and made no effort to limit subscriber interaction or to create all its content internally.

ɜspite these rather shrewd borrowings, in 1991 and even 1992, AOL was still not seen as a serious competitor of either ımpuServe or Prodigy. CompuServe had increased its subscriber base from 900,000 to 1,100,000 from 1991 to 1992. ɔdigy had increased its household subscriptions from 715,000 to 1,000,000.

ƆL, in contrast, had only grown from 156,000 to 219,000 subscribers in 1991 to 1992 and was generally classed with the lso rans" like Delphi and GEnie. According to the common wisdom, the market would continue to be split between the big o.

mid-1994, however, AOL was rapidly passing the 800,000 mark, on its way to one million, while Prodigy had grown onl

hat had transpired were two years of intense competition that had forced all three services to make major changes in their icing, content and interface design. At times the struggle resembled the chariot race in Ben-Hur--all three were plunging ward at top speed while also delivering blows back and forth as they rushed ahead.

ICE WARS IN CYBERSPACE

e central difficulty online services face in setting their prices is that consumers can easily understand only two approaches ed charge per minute or a flat monthly fee-and neither of them work. The first loses customers, the second loses money.

odigy was the first to discover the hidden booby-traps of online pricing. The firm had based not only its flat-rate pricing ategy, but the physical design of its computer network on the assumption that its customers would be largely passive aders. The plan was that Prodigy's mainframe computers in upstate New York would download most screens of informatio ce to a network of 130 local sites across the country. The information stored on these local sites could then be repeatedly cessed by nearby customers at low, local phone rates.

is was fine for news, weather and so on, but not for e-mail and bulletin board activity. Those interactive services had to pa ough the New York mainframes over long-distance connections--and Prodigy's flat rate pricing meant that the company ha pick up the tab.

ly a small percentage of Prodigy's members sent more than a handful of e-mail messages, but that group sent the entire icing model into a tailspin. In 1990, 95 percent of Prodigy's members posted 360,000 messages. The other five percent sted 3.7 million. By 1992, Prodigy was paying the long-distance charges for 40 million messages a year.

odigy responded by setting limits on the number of messages subscribers could send and by raising the monthly rate by 15 rcent. This provoked howls of anguish from heavy e-mail users and did not fully resolve the problem. In 1993, the compan ally abandoned its commitment to a single, flat, monthly rate and began a hybrid pricing scheme combining a fixed e/unlimited use area with premium services charged by the hour. Not surprisingly, bulletin boards were one of the services aced in the hourly category.

mpuServe was also rethinking its prices. Although the company was greatly cheered by the difficulties Prodigy's flat-rate icing had created for their competitor, they were in no position to gloat. CompuServe was painfully aware that the flat onthly rate policy had allowed Prodigy to pull neck and neck with them in the race for new members. It was increasingly ear that many new modem owners simply refused to join any service where there was a meter ticking in the background.

January 1992, CompuServe departed from its traditional strategy of time-based charges and offered a bundle of basic rvices for a fixed monthly price. Other, more expensive or highly valued services continued to be charged by the hour.

nerica Online's entrance into the front ranks of the online competition added a third hybrid pricing scheme--one that cluded a basic monthly rate for five hours of use and additional hourly charges beyond that limit.

line industry executives had regularly affirmed their commitment to making online pricing simple and understandable. Bu mid-1993, even the most basic comparison of pricing on the three major services required building a spreadsheet and nning several alternative usage scenarios--something most consumers were unlikely to undertake.

nceptually, however, the three leading firms had all arrived at a similar approach--a fixed-price "package" of basic service occasional users and time-based surcharges for dedicated online junkies. By 1994, the only major difference that remaine s CompuServe and Prodigy's willingness to offer a range of specialized, and even more expensive services as a third "tier" option, while AOL tried to keep all of its content (after the first five hours) at a common hourly price.

IE RACE FOR CONTENT

nerica Online did not actually pioneer the strategy of offering products from well-known third-party vendors in the online orld. Although CompuServe was mainly known for its forums and communications and Prodigy for its internally-produced ntent, both had made some initiatives before AOL came on the scene. CompuServe targeted investors and businessmen at rly stage, and included products like financial data from Standard and Poor's or Dun & Bradstreet in CompuServe's menu c ferings. Prodigy also offered family-oriented online sections from companies like Sesame Street and National Geographic

ıt it was AOL that made alliances with third-party content providers a central element of its overall strategy, which ımatically "upped the ante" with a succession of high-profile deals.

ıe most visible area of competition was in newspapers and magazines. In 1992, AOL launched Chicago Online, an electron rsion of the Chicago Tribune, with particular emphasis on local content. In early 1993, it added The Mercury Center, an aptation of the San Jose Mercury News. By 1994, USA Today, and then a local edition of the New York Tines, were also line.

odigy countered by signing exclusive deals for the Atlanta Journal Constitution, the Los Angeles Times, New York ewsday, the Dallas Morning News and several others. Prodigy's approach was distinct from America Online's. AOL corporated the newspapers directly into its service, while Prodigy created distinct, separately accessed areas for each paper d sold flat-rate subscriptions for access to them alone. A gateway connected customers who wanted to use other parts of th stem to the main Prodigy service.

nerica Online also took the lead in putting magazines online. The firm lined up an attractive variety of popular titles cluding Time, Atlantic Monthly, Business Week, Scientific American, The New Republic and Wired, as well as top specia erest publications like Road and Track and Stereo Review.

odigy responded with a smaller selection that included Barrons, Sports Illustrated for Children and several others. In 1994, y victory was lining up an exclusive arrangement for the online version of Newsweek.

ımpuServe was the slowest to move in this area. The company obtained substantial news content from multiple wire servic d a text-based version of the Washington Post. It also had a strong collection of archival newspaper and magazine article tabases provided by Information Access Co. But it was only with the acquisition of U.S. News & World Report and then rtune, People and Sports Illustrated, that it began to directly compete with the offerings of the other two services.

ıother area of intense competition, particularly between AOL and Prodigy, developed when TV broadcast and cable tworks began to seek partners online. AOL established online sites for ABC, NBC, CNN, MTV, the Discovery Channel an ıumber of others. Prodigy created sections for CBS, Disney, HBO, Showtime, USA, CNN, Discovery, AMC, TNT and 22 ıers.

high-profile aspect of this new relationship with TV was the race to bring celebrities online for real-time chats with embers. CompuServe went backstage at the Academy awards to get comments from Tom Hanks and Bruce Springsteen. nerica Online had Mick Jagger, Billy Graham and Conan O'Brian "appear" on its virtual center stage. Prodigy was most tive with online appearances by celebrities ranging from Jay Leno and Jerry Seinfield to President Clinton, former Preside ısh, Star Trek's William Shatner and Kermit the Frog.

1994, it was clear that none of the online services would willingly cede any content area to its rivals. CompuServe, for ample, had the deepest offerings in financial and news reference sources and provided a wide set of tools for portfolio ınagement and analyses. Nonetheless, both Prodigy and America Online made substantial investments in developing ıancial databases and tools for their members. Prodigy had a clear advantage in activities and online publications for ildren. However, both AOL and CompuServe continued to aggressively compete for content in the area. All three ıintained and developed their areas for online shopping.

ıe result was that, by the end of 1994, all three services offered an increasingly similar suite of online activities and blications. Each had areas of particular strength, but all had at least some offering in every major area. A subscriber who ınted to read a national magazine, for example, could find Newsweek on Prodigy, Time on AOL and U.S. News & World port on CompuServe. For business coverage, Prodigy had Barrons, AOL had Business Week and CompuServe had Fortun other content areas, the story was the same.

)SMETIC SURGERY ON THE USER INTERFACE

ıtil AOL gave them no choice, bath CompuServe and Prodigy had good reasons for not wanting to change their interface sign.

ımpuServe's text-based interface had been upgraded in 1989 with a DOS-based interface called CIM (CompuServe

rface remained the decade-old hierarchy of unadorned ASCII menus that had led users to the various areas of the system ıce 1979.

hile this ASCII interface lacked elegance, it allowed virtually any computer that could emulate a terminal to log on to the stem and participate as an equal in the online environment. The large installed base of users with low-end hardware made ımpuServe reluctant to design a new interface only a portion of its members could use and appreciate.

odigy, meanwhile, had a massive investment in its proprietary NAPLPS interface and still hoped its unique graphics and rticular look and feel would prove significantly more appealing than any alternative designs.

ıt in 1993, not long after America Online introduced its Windows-based interface and began garnering a flood of favorable views and new customers, both CompuServe and Prodigy recognized that new interfaces could not be postponed. Both mpanies introduced Windows-based front ends within the year.

ıth new interfaces represented considerable improvements over their predecessors, but they also shared a common problem ıey were not "from the bottom up" redesigns, but the traditional interface embedded in a Windows shell. Prodigy's bottom-the-screen push buttons were not eliminated, for example, but simply echoed in redundant Windows pull-down menus ove. The WinCIM interface gave CompuServe's top-level menus a graphical polish, but the underlying structure and ganization remained largely the same.

second round of interface upgrades followed in early 1995. Prodigy's was the more dramatic. The firm completely dumped proprietary NAPLPS interface, and jettisoned all the content that could not be converted to work as a native Windows plication. It was a complete break with the past.

ımpuServe, for its part, implemented a hypertext-oriented upgrade that mimicked AOL's more attractive visual style. The m began the process of creating two alternate modes or interfaces for the system--one optimized for business users and other for recreation. In one early offering for the latter group, the firm introduced a live chat service in which conversation rticipants were represented by animated cartoon-like characters.

ıe result of these upgrades was to make the three rivals' visual appearance strikingly similar. In 1990, one could distinguish unique screen design of CompuServe, Prodigy and AOL from halfway across a room. In 1995, one has to look closely to l the difference.

)NVERGENCE, TRIUMPH AND BACK TO SQUARE ONE

February 1995, a PC Magazine review of the online services began by noting, "As the commercial on-line services grow, y grow disquietingly more alike" [3]. The pricing strategy they used was similar. Their content in most areas was mpetitive. And their user interfaces had converged on a Windows-based design.

fact, in certain respects the competition between them began to resemble the rivalry between the major networks of oadcast TV. It was a shoulder to shoulder race between firms with a largely parallel package of content and generally simil esentation.

ıe comparison with the TV networks was suggestive for two reasons. First, the three online services played a role as ckagers and filters for content not unlike the role networks had played during the pre-cable era of broadcast TV. Second, jı the most dangerous competition for the top three TV networks finally came from firms like cable companies outside oadcast TV, the commercial online services could also foresee that their greatest threat would come from competitors outsi ir industry armed with new technology for delivering interactive content to the home.

1995, CompuServe, Prodigy and America Online had honed and refined their services to a point of near convergence. ınically, that milestone came just in time for them to face new competition that threatened to make their common strategy solete.

ook for a follow-up article, "Facing the Future," coming in the net issue.--NG)

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